



2014 – RESEARCH AND ANALYSIS: GREEK FLEET STATISTICS
2ND PART OF 2014 PETROFIN RESEARCH ©

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RESULTS AT A GLANCE

- I. The overall number of Greek vessels has gone up by 134 to 4707 from 4573.
- II. Tonnage is also up by 22,111,193, breaking the 300m threshold, this year. Overall tonnage: 303,579,176 tons DWT, an increase of 7.85%
- III. Age is also down again, to 13.26 from 14.05 in 2013 and 14.7 in 2012.
- IV. Using a 20,000 DWT cutoff, the average age of the Greek fleet has fallen to 9.14 years from 9.83 in 2013.
- V. The large Bulker fleet (over 20,000 tons DWT) has gained 59 vessels, its age is down to 9.2 years, its tonnage is up by 6.4m DWT and it has lost 6 companies.
- VI. The large Tanker fleet (vessels over 20,000 tons DWT) shows an increase in tonnage by 5.85m tons DWT but a decrease in number of vessels by 9. Its companies have remained the same in number but age wise they show a rise for the 2nd year round.
- VII. The large Container fleet (vessels over 20,000 tons DWT) has shed a whole 2.24 years and is now 9.86 years old, it has gained 1.48m tons DWT and is one of the very few sectors who show an increase in the companies that run them, up by 3.
- VIII. This year we begin including the LPG and the LNG sectors in our research.
- IX. Regarding the LPG sector, large LPGs (over 20,000 tons DWT), the number is the same as last year, the fleet DWT is slightly down by 28,055 tons DWT and their age is slightly up by 0.22 of a year.
- X. The LNGs are only over 20,000 tons DWT, 18 vessels were added in 2014 up to 50 overall, and their age is down to 3.5 years from 4.25, thus making them the youngest sector of the fleet.
- XI. The Greek fleet continues to expand in a more and more consolidated manner, as Greek companies are reducing (see 1st part of Petrofin Research©)



SECTION A: VITAL STATISTICS OF THE ENTIRE GREEK FLEET

ENTIRE GREEK FLEET

Despite the low freights, the stagnating S&P market and the bank lending restrictions, the Greek fleet shows again an impressive performance in terms of numbers, age and size. Confidence in shipping is still there and strategic movements are at work to render it ready when the market recovers. The data obtained from our research is indicative of a very active market, a positive outlook for the future and continuous emphasis towards larger and younger vessels.

The overall number of Greek vessels has counteracted last year’s drop, by adding 134 vessels in its total.

TABLE 1

Year	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Number of vessels in the Greek-based, Greek-owned fleet	4110	4142	4085	4184	3970	4164	4346	4545	4763	4655	4714	4577	4573	4707
Change from previous year		32	-57	99	-214	194	182	199	218	-108	59	-137	-4	134
	Petrofin Research ©							September 2014						

The fleet’s DWT continues to grow and is now an impressive 303,579,176 tons DWT.

These vessels are managed by 668 companies, down from 690 in 2013, 718 companies in 2012, 762 in 2011 and 758 shipping companies in 2010 (1st Part of Petrofin research©).



In Table 2 we note the main developments.

TABLE 2

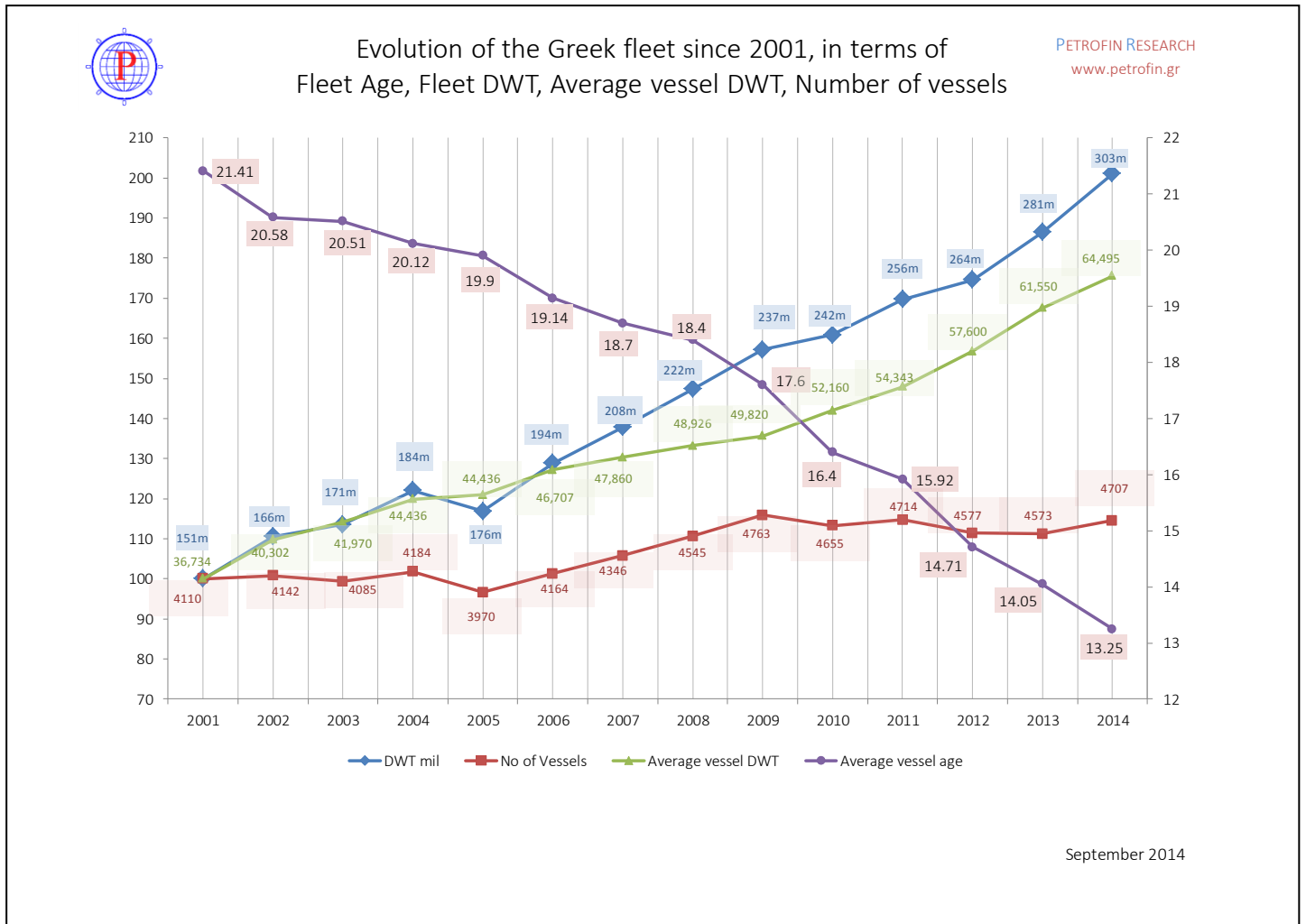
YEAR	DWT	AVERAGE AGE	AVERAGE VESSEL DWT
2001	150,978,565	21.41	36,734
2002	166,931,748	20.58	40,302
2003	171,448,133	20.51	41,970
2004	184,288,917	20.12	44,046
2005	176,411,750	19.9	44,436
2006	194,486,455	19.14	46,707
2007	208,001,159	18.7	47,860
2008	222,368,331	18.4	48,926
2009	237,288,216	17.6	49,820
2010	242,802,092	16.4	52,160
2011	256,174,041	15.92	54,343
2012	263,635,420	14.7	57,600
2013	281,467,983	14.055	61,550
2014	303,579,176	13.252	64,495

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1. The average vessel DWT is now 64,495 from 61,550 tons DWT in 2013, 57,600 tons DWT in 2012, i.e. a rise of 4.6% in 2014, compared to 6.4% in 2013, and 4.2% in 2012. The new additions to the fleet are bigger and the smaller existing vessels are gradually going.
2. The increase in vessel size continues uninterrupted since 2001.
3. The average age has dropped significantly down to 13.252 years, from 14.05 in 2013, from 14.7 years in 2012 and down from 15.92 in 2011 (Table 2, above). It should be noted that this is the average age of the entire Greek fleet, covering all sizes, types and activities. Some very old ships are included in this fleet, which makes the drop in years even more significant (please see additional research for all vessels over 10,000 DWT and 20,000 DWT)
4. We have summarised in Graph 1 all the above findings, over a 14 year period, to show their development.



GRAPH 1





SECTION B: FOCUSING ON THE LARGER VESSELS

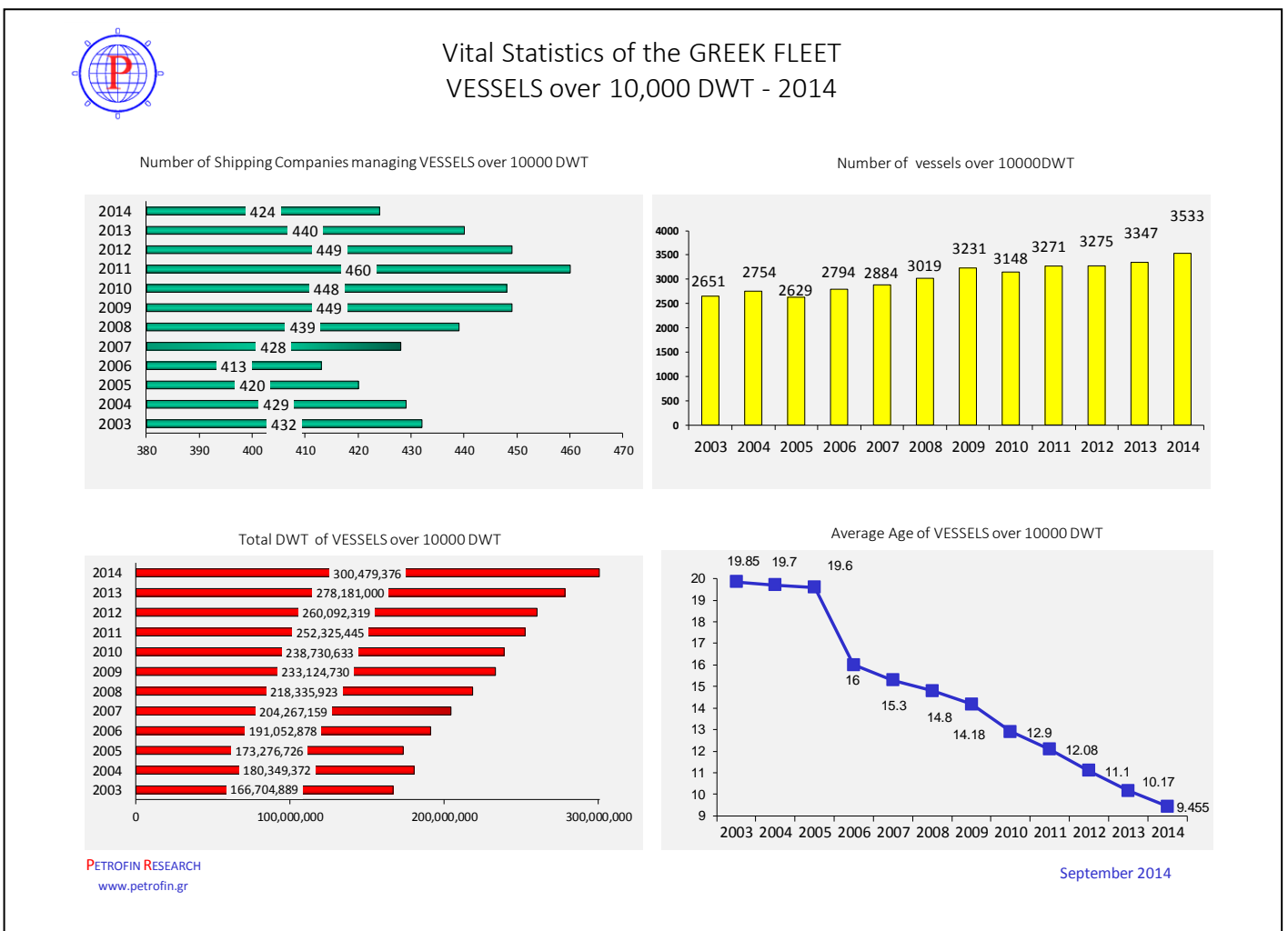
In order to concentrate on the real strength of Greek shipping, we use two cut-off DWT points, one of vessels over 10,000 tons DWT and the other of vessels over 20,000 tons DWT. This way, the Greek fleet is stripped of a large number of overage very small vessels of relatively little significance that operate mostly locally. Hence, we concentrate on the global aspect of the Greek fleet.

VESSELS OF OVER 10,000 DWT

COMPARISONS BETWEEN 2003 AND 2014

Graph 2 below shows the fluctuation in the number of companies that manage vessels over 10,000 DWT, the number of ALL these vessels, their age and their DWT. ('ALL vessels' means everything that floats and is under Greek control):

GRAPH 2





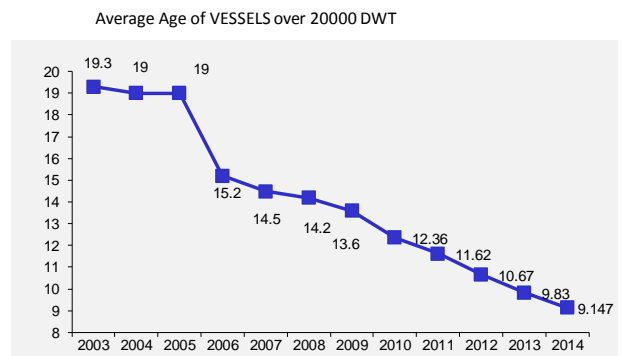
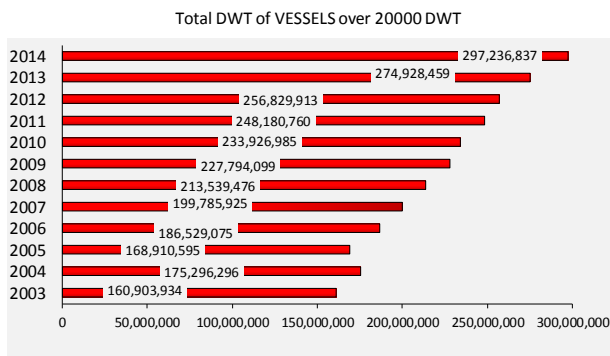
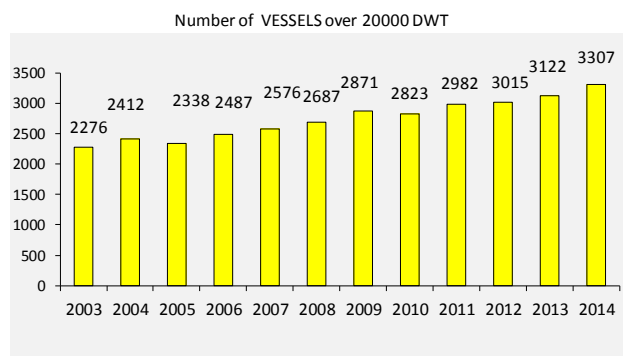
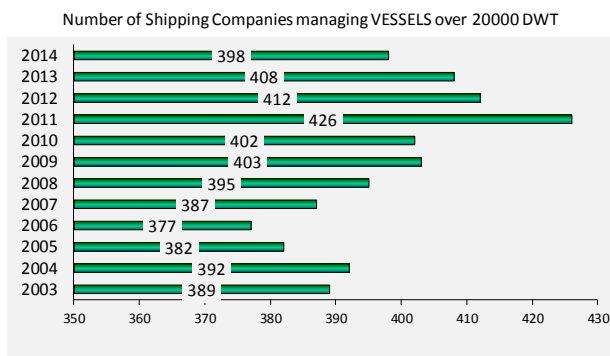
VESSELS OF OVER 20,000 DWT

COMPARISONS BETWEEN 2003 AND 2014

Graph 3 below shows the fluctuation in the number of companies that manage vessels over 20,000 DWT, the number of ALL these vessels, their age and their DWT. ('ALL vessels' means everything that floats and is under Greek control):

GRAPH 3

Vital Statistics of the GREEK FLEET VESSELS over 20,000 DWT - 2014





SECTION C: ANALYSES BY TYPE OF VESSEL

THE GREEK BULKER FLEET OF VESSELS OVER 10,000 DWT EACH

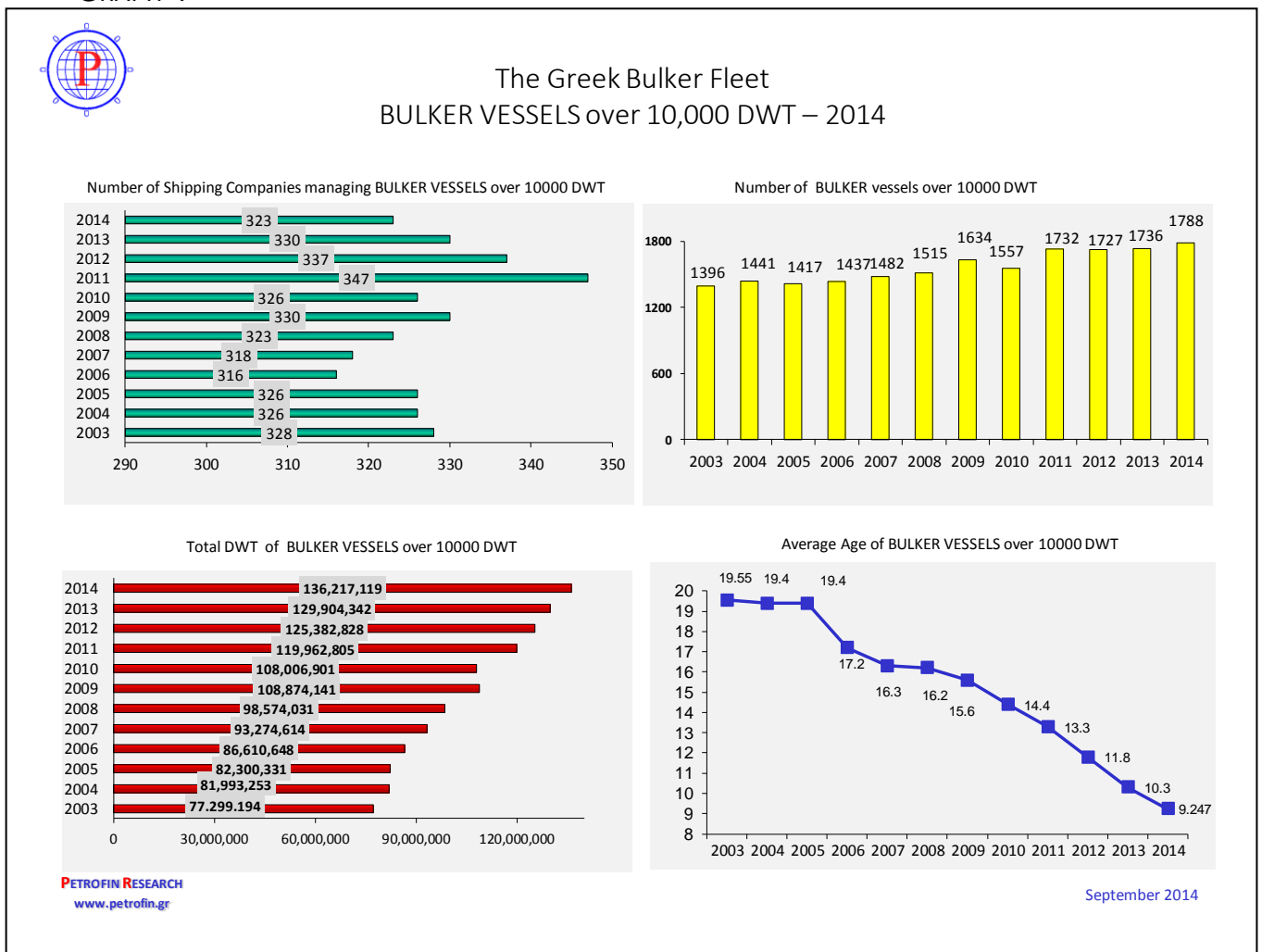
COMPARISONS BETWEEN 2003 AND 2014

The graph below shows that the number of companies has gone down, following the trend, thus far, by 7 companies, continuing last year's trend. Bulk carriers over 10,000DWT have gone up, however, by 52 vessels compared to an increase of 9 vessels last year.

The age keeps falling, and it is now below the 10-year threshold, at 9.25, from 10.3 in 2013, 11.8 in 2012, reflecting the further influx of newbuildings and the now well established trend towards newer vessel.

This, traditionally most popular, sector in Greek shipping, occupies now 45% of the total Greek fleet, 46.15% of the entire fleet, down from 47.56%. A slight wavering in the Greek commitment to bulk carriers, although the existing fleet is younger and larger.

GRAPH 4





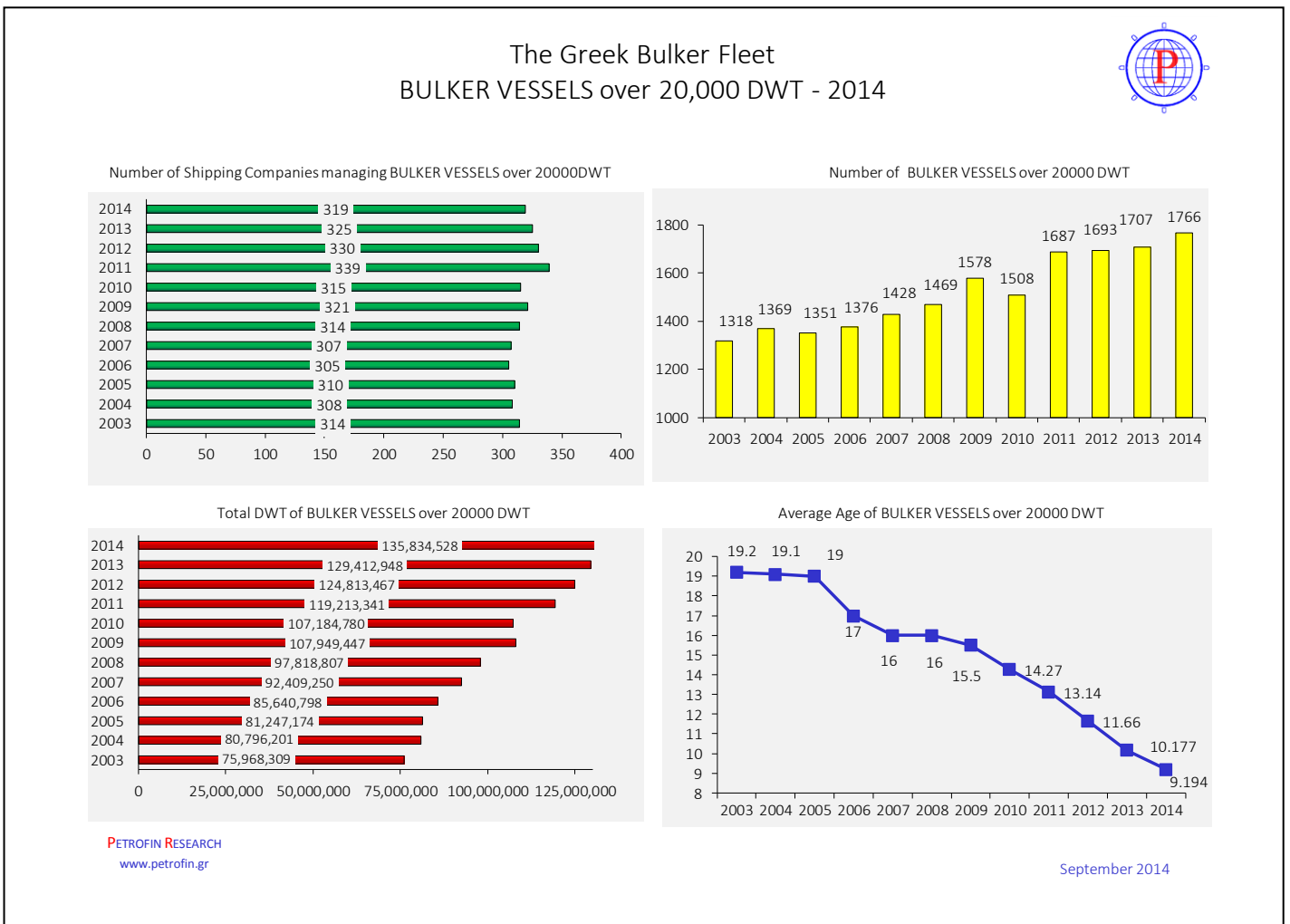
THE GREEK BULKER FLEET OF VESSELS OVER 20,000 DWT EACH

COMPARISONS BETWEEN 2003 AND 2014

Similar trends here also. We note a further drop in companies by 6. The bigger bulkers continue to rise by 59 this year, compared to a rise of 14 in 2013, 6 in 2012 and 179 units in 2011. The difference between 10,000 DWT bulkers and 20,000 DWT is down to only 22 vessels, compared to 29 vessels in 2013, 34 vessels in 2012 and 45 in 2011. So the bulk of the fleet is indeed bigger bulkers.

Furthermore, tonnage is up by 6.4m tons DWT, compare to an increase of 4,599,481 in 2013, whereas in 2012 the increase was 5,600,126, and in 2011 12,028,561. Age has dropped significantly to 9.2, compared to 10.2 in 2013, 11.66 years in 2012 and 13.14 years in 2011.

GRAPH 5





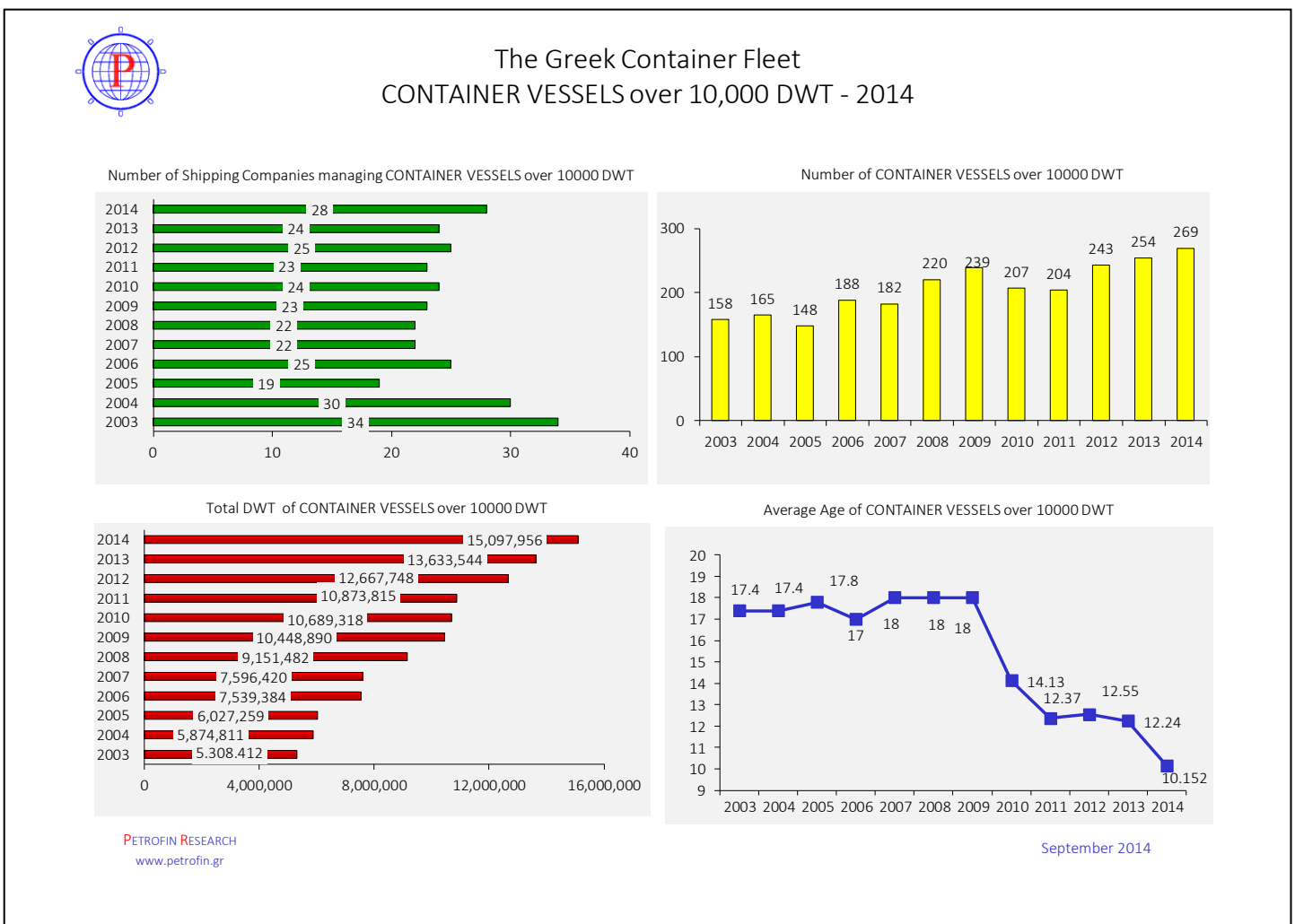
THE GREEK CONTAINER FLEET OF VESSELS OVER 10,000 DWT EACH

COMPARISONS BETWEEN 2003 AND 2014

The container sector has always been a volatile market. Although not always following the general fleet trends, this year they seem to move alongside the other sectors. Companies are up by 4, vessels are up by 15 and tonnage is up by almost 1.5m tons DWT.

The significant change is the sharp drop in the age of these vessels, down from 12.24 to 10.15 years of age.

GRAPH 6



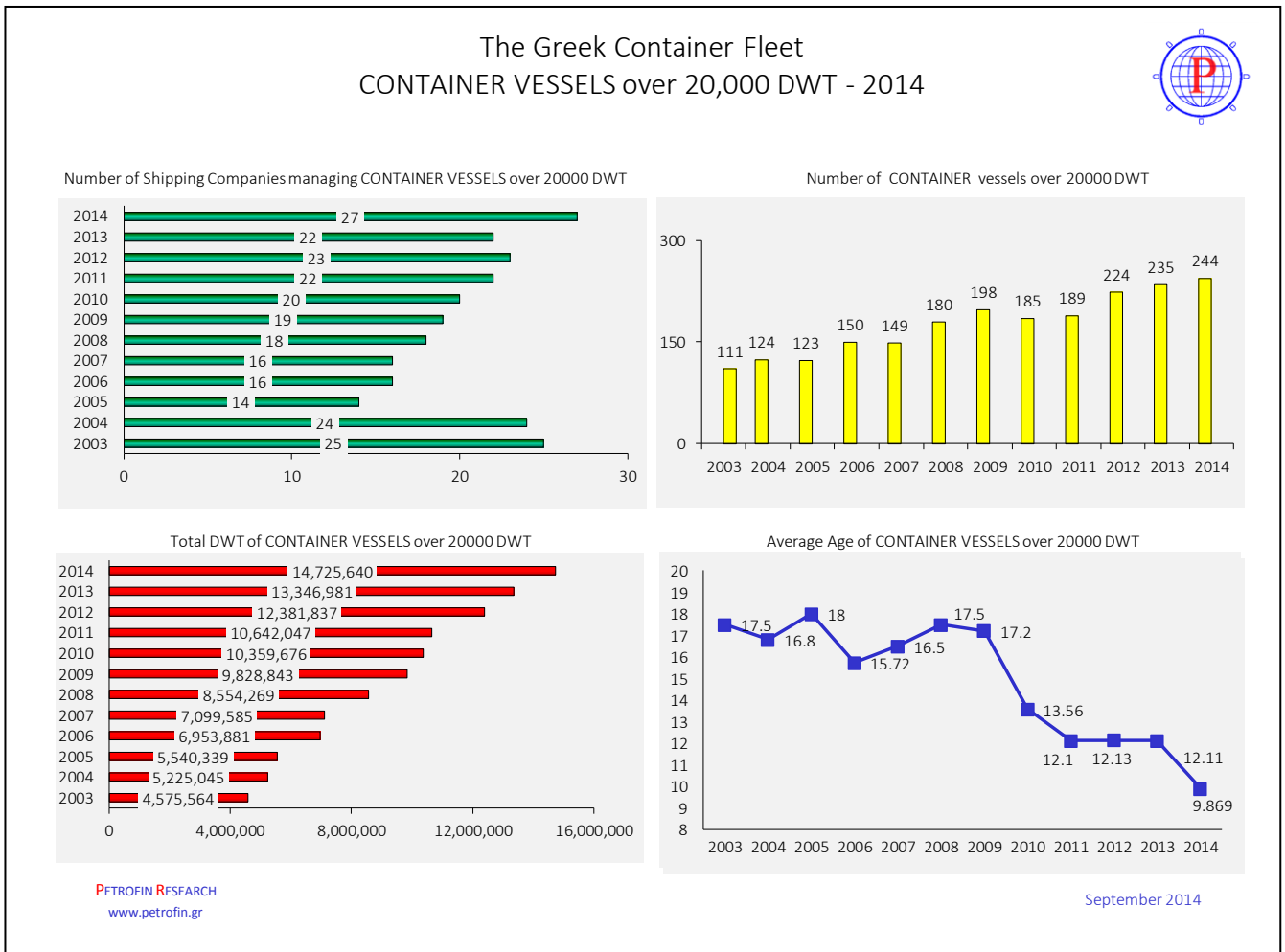


THE GREEK CONTAINER FLEET OF VESSELS OVER 20,000 DWT EACH

COMPARISONS BETWEEN 2003 AND 2014

Practically no difference exists between the over 10,000 and the over 20,000 tons DWT, which renders small containers almost obsolete in the Greek fleet. The age of the large container vessels, however, is significantly now below the 10 years of age threshold, down to 9.87.

GRAPH 7





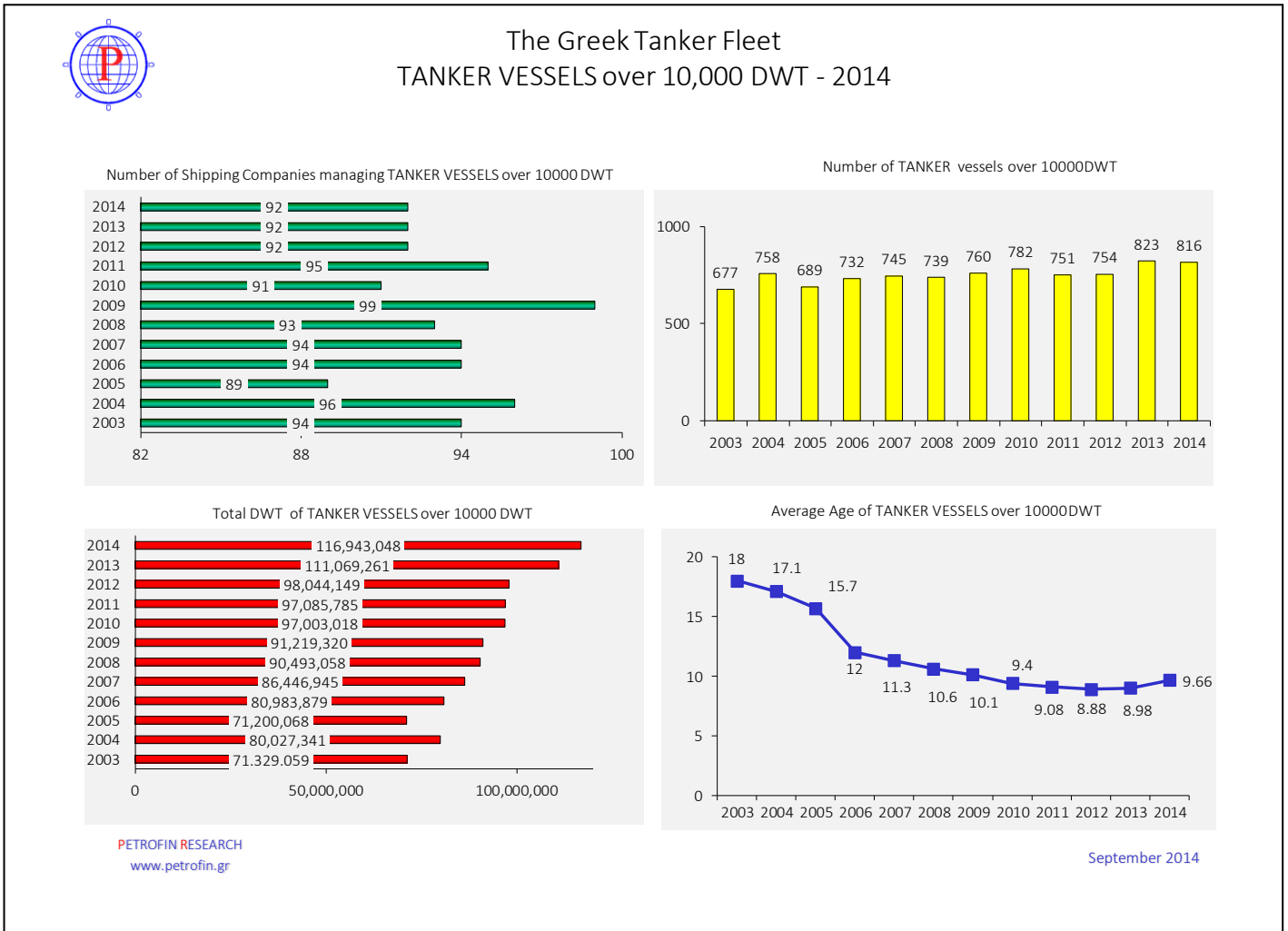
THE GREEK TANKER FLEET OF VESSELS OVER 10,000 DWT EACH

COMPARISONS BETWEEN 2003 AND 2014

The number of tanker companies has remained the same in the last 3 years. This year, there is a reduction in the number of vessels, by 7, but the fact that tonnage is up by 5.9m tons DWT shows a lively S&P activity that resulted in a bigger fleet comprised of bigger vessels of 143,349 average unit DWT, compared to an average of 134,957 tons DWT in 2013 and 130,032 tons DWT in 2012.

The unexpected change is in the age, which has gone up almost one year. Second-hand tankers present an opportunity in this low market.

GRAPH 8





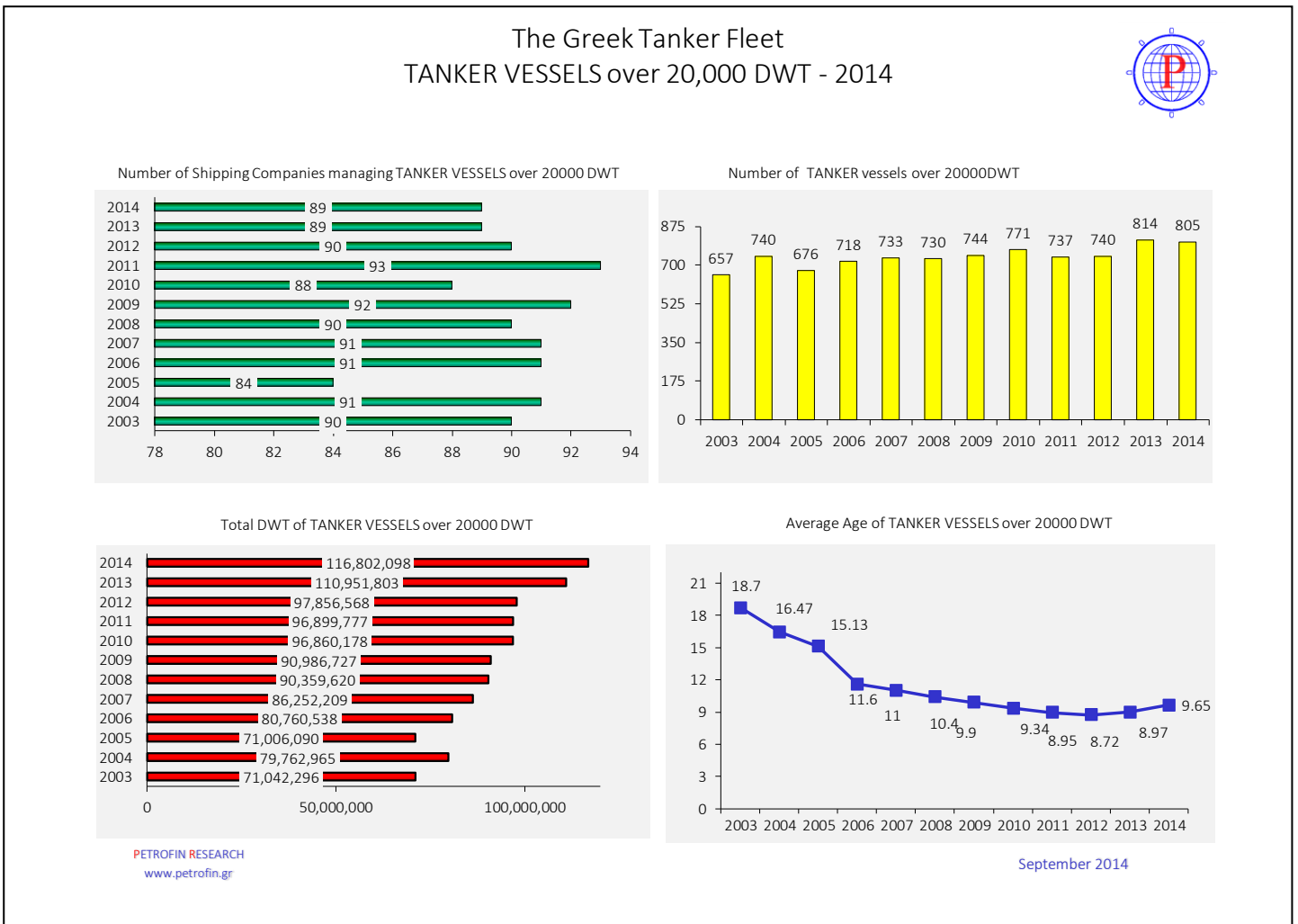
THE GREEK FLEET OF TANKER VESSELS OVER 20,000 DWT EACH

COMPARISONS BETWEEN 2003 AND 2014

Similar trends apply in the over 20,000 DWT tankers. The vessels here are down by 9, the companies that run them are the same number and tonnage is up 5.87m DWT.

The average large tanker is now 145,095, compared to 136,304 tons DWT in 2013, 132,239 in 2012 and 131,478 tons DWT in 2011. This represents a continuing increasing trend in vessel size (125,629 DWT in 2010 and 122,293 in 2009).

GRAPH 9



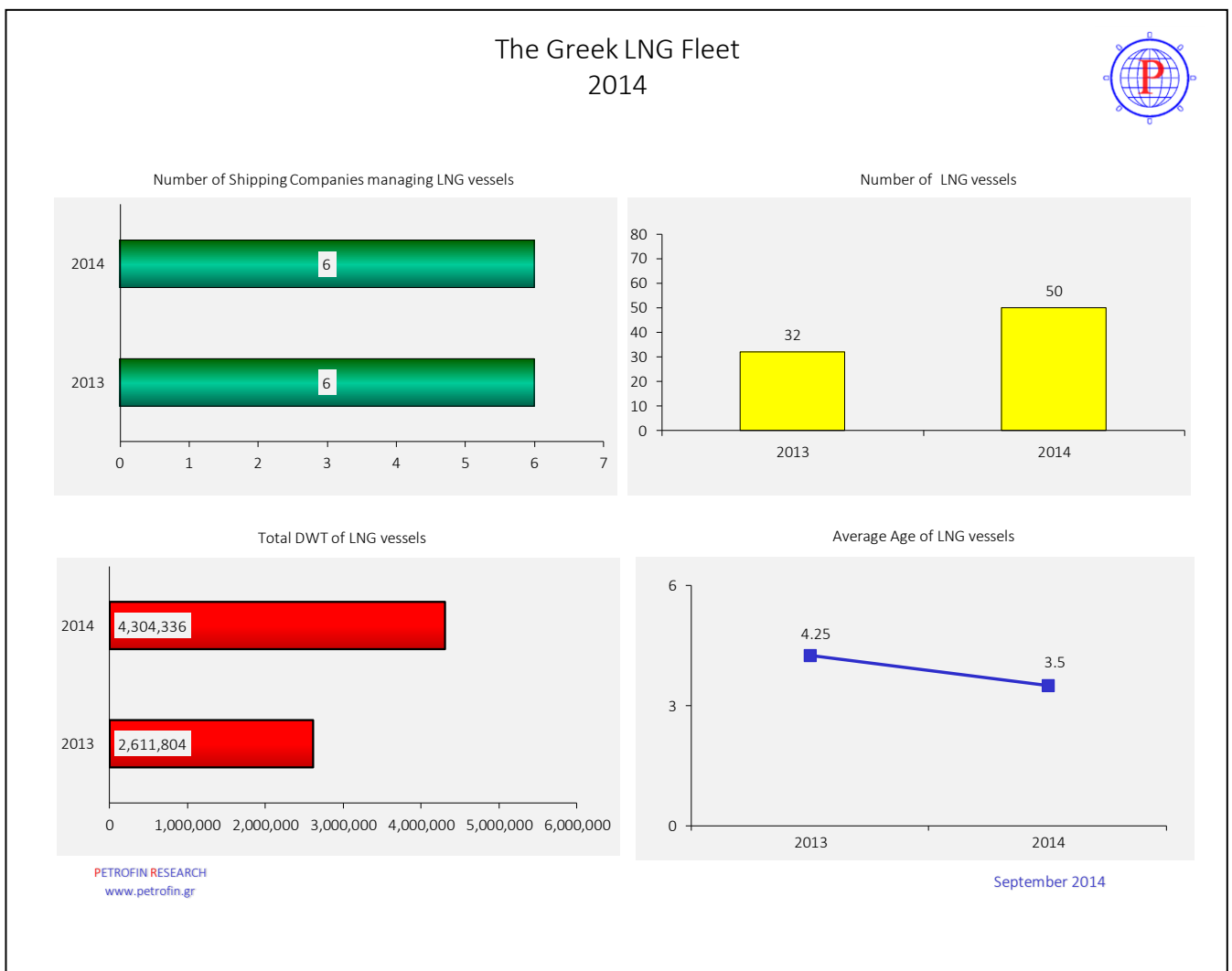


THE GREEK LNG FLEET

The interest in LNGs is depicted in the Graph below, showing an increase of vessels from 32 last year to 50 this year. This is the youngest sector that we have been analysing and its age is significantly low, as these vessels need to be of the most modern design possible. They represent an important investment decision trend among the Greek owners, which we will be following.

What is significant is that the number of vessels is up by 56.25% and that tonnage is up by 64.8%.

GRAPH 10

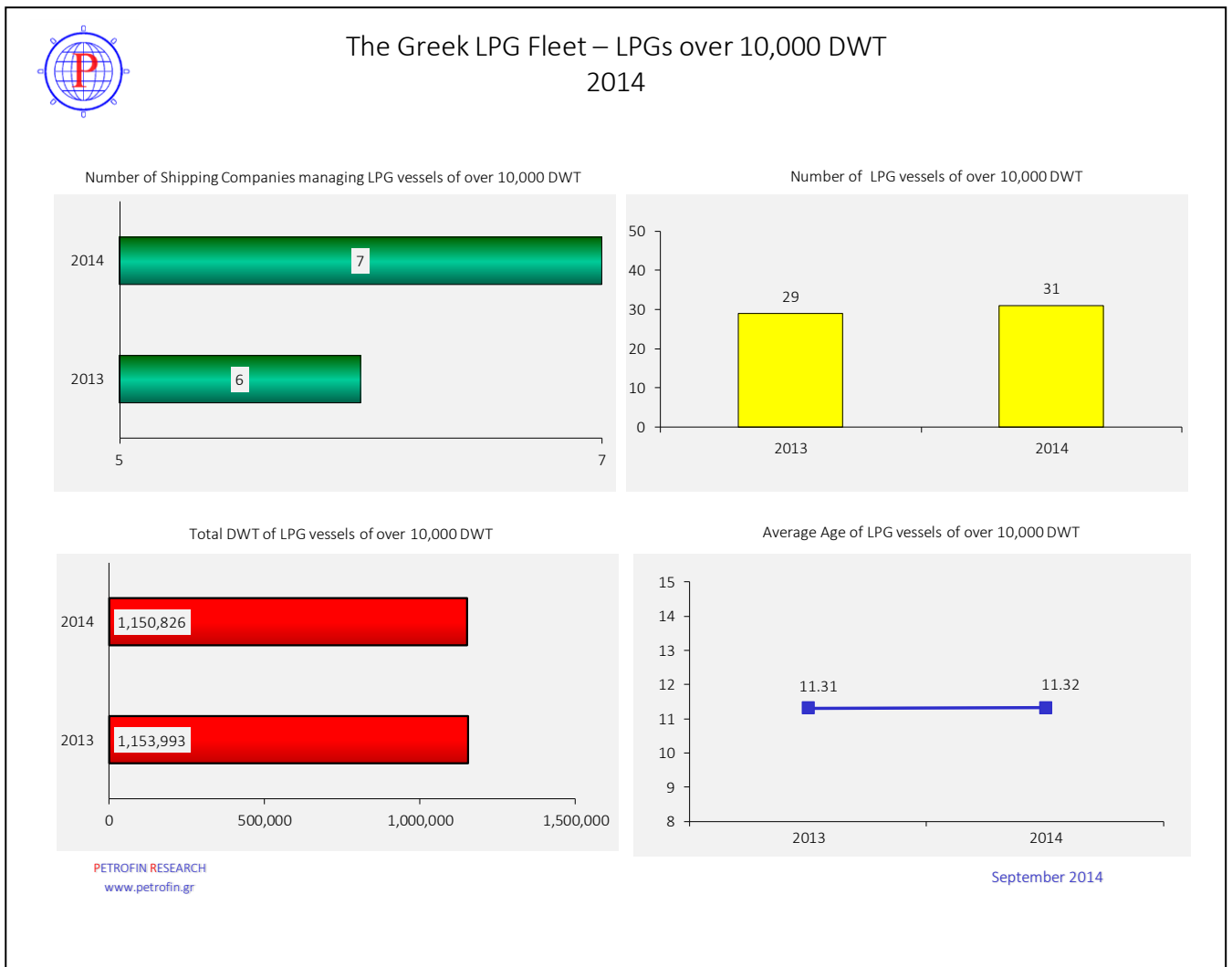




THE GREEK LPG FLEET OF VESSELS OVER 10,000 DWT EACH

The LPGs is an increasing sector, albeit in numbers more than in tonnage.

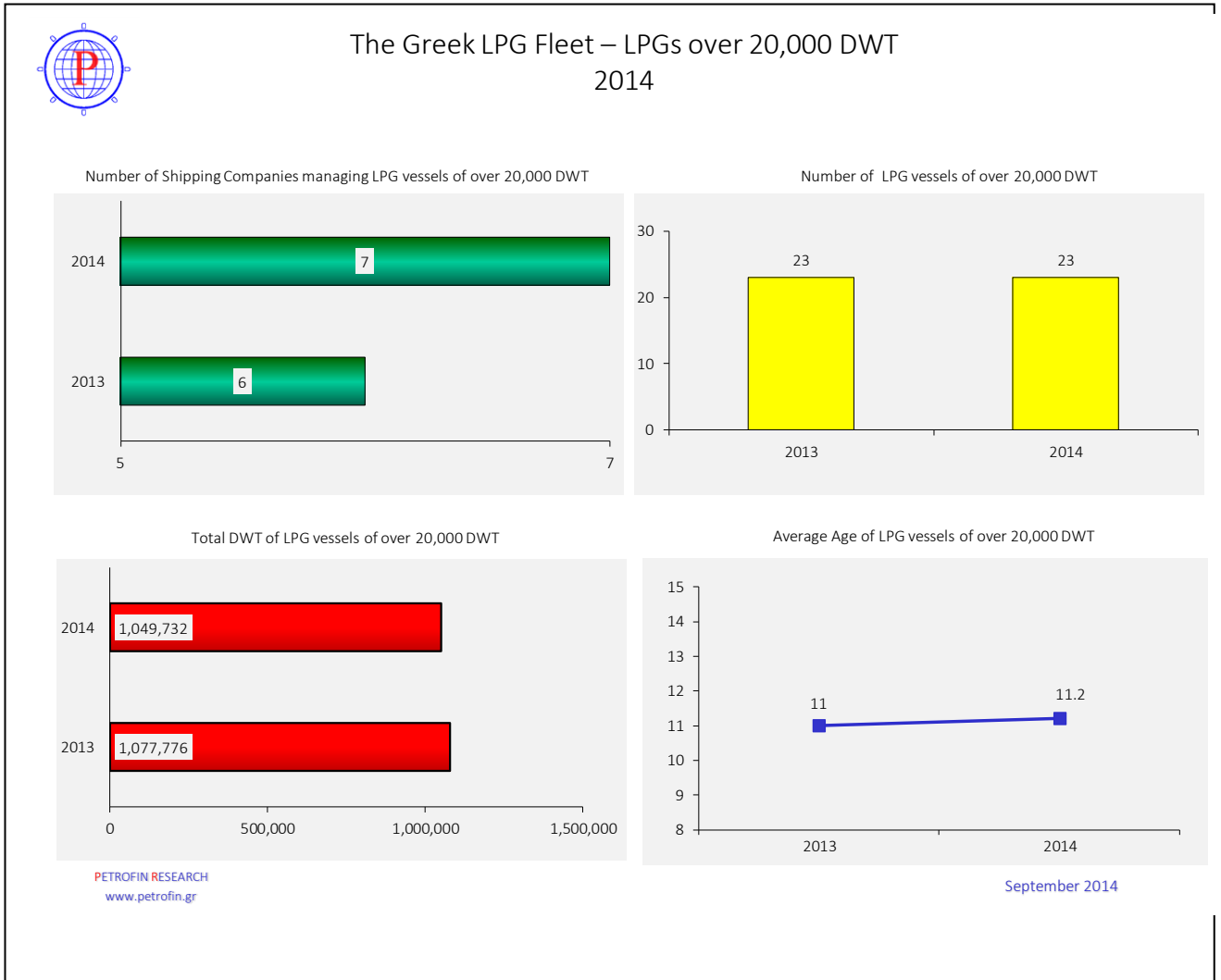
GRAPH 11





THE GREEK LPG FLEET OF VESSELS OVER 20,000 DWT EACH

GRAPH 12





COMMENTARY

It is a paradox to see that Greek shipping continues to grow, despite the state of the markets, the lack of financing and the poor cash flows. Clearly, Greeks see an opportunity in this market, despite the odds.

Even more important, Greek owners (assisted by US equity funds and the public markets) are committing huge amounts of capital, based solely on expectations of a shipping recovery. This represents a countercyclical play at its purest form and “to the winner go the spoils”.

Greek shipping continues to show strength, not only in total dwt (up 7.85%) but, also, in the number of vessels (up to 4,707).

This growth has been primarily aimed at newbuildings and not surprisingly the average fleet age has fallen yet again to 13.26 years, for all vessel sizes and down to a remarkable 9.14 years, using a 20,000 dwt fleet cutoff criterion.

Focusing on the three main sectors, they all display improvements in the average age and a growth in dwt. The tanker and container sectors are showing signs of a consolidation process, involving bigger fleets for a smaller number of owners.

The above trend has not been reflected in the LPG sector, which remained largely the same, as previously. The LNG sector, however, continues to display fireworks with record increases in fleet size and a lower average age down to only 3.5 years.

It should be noted that over the last 13 years (2001 – 2014) the dwt capacity of the Greek fleet has more than doubled, whereas its average age has fallen from 21.41 to 13.25 years and the average vessel dwt has risen from 36,734 dwt to 64,495 dwt, over the period.

Moreover, the trends indicate that better times may be ahead for the tanker and container sectors. This is, also, borne out by market sentiment and we anticipate that focus will now shift towards these markets.

The main locomotive behind the impressive performance of the Greek fleet, lies with the large Greek owners, with fleets of over 25 vessels. However, at the end of the day, shipping represents an investment and thus far the operating investment returns have been most disappointing. Whereas optimism abounds and Greek owners have put their faith in the new eco designs, the fundamentals are not supporting them. Most market segments are still in an oversupply position, with a large order book. Admittedly, the rate of fleet growth is slowing down but so has scrapping. Thus far, there are no market segments that have witnessed a net reduction in the size of the fleet and this appears to be a long way off.

Consequently, all eyes are on the rate of increase of demand i.e. growth of international trade. Here, although the year on year growth in seaborne trade for the dry bulk and tanker markets is about 4%, this rate is not sufficient to offset the growth of the fleet. An exception appears to exist in the tanker market, where the fleet has slowed down to an annual net of scrapping growth of only about 1% per annum. Chemical tankers and LPGs are, also, showing small rises. However, the LPG orderbook is at a colossal 41.5% of the fleet, with LNGs at 34.6% and dry bulkers at 23.5% (Clarkson's Shipping Intelligence). Clearly, there may be potential investment opportunities in some market



segments, which, no doubt, will result in new orders en masse. The market for dry bulk, though, will require either a significant pick up in seaborne trade to over 6% - 7% per annum or the stopping of new orders and postponement of the existing order book.

The latest news, concerning the prohibition of nickel ore by the Philippines, on top of the Indonesian embargo, as well as import / export restrictions in China and India, are not supportive. Coupled by the increasing number of conflicts and difficulties imposed on international trade, conditions appear not to support a valid pick up in seaborne trade. The only glimmer of hope lies with the renewed vigour in which the US and Europe are pursuing a monetary policy, designed to assist both growth and the financial sector, whilst maintaining very low interest rates.

In conclusion, Greek shipping is expected to continue to grow in the years to come but we suspect that the rate of growth shall slow down in the light of largely non-supportive market conditions.



METHODOLOGY – SOURCES - RESEARCH CRITERIA

In this 2nd part of Petrofin research, the Greek Fleet Statistics, we analyse the composition of the Greek fleet, in terms of vessel size, vessel type and vessel age.

Our sources are the Greek Shipping Directory (2014), printed and on-line database, as well as Clarkson's World Fleet Register and numerous market sources.

Research Criteria:

- a. All Greek-owned / Greek-based vessels, of whichever flag are taken into account.
- b. The Greek-based / Greek-owned fleet is analysed and presented initially as a whole, in terms of Numbers of Vessels, Age of Vessels and DWT.
- c. Then a cut-off DWT is used of 10,000DWT to measure the number of companies that run vessels above this tonnage. This is done for the whole fleet, then for Bulkers, Tankers and Containers and, for the first time, LNGs and LPGs. This cut-off eliminates the vast number of very small and usually over-aged vessels that unduly influence the Greek fleet analysis.
- d. A further cut-off DWT point of 20,000DWT is used for the whole fleet, the Bulkers, the Tankers and the Containers. This shows the effect that a higher cut-off has on the fleet and its main sectors.
- e. Newbuildings are only taken into account if they have a scheduled delivery year of up to and inclusive of 2015. This results in a more accurate assessment of today's fleet closer to reality, as many of the impressive number of newbuilding orders have delivery dates of 2016 and beyond. In the current economic climate, a very substantial number of newbuilding orders may be susceptible to cancellations, postponements and re-sales, and may thus distort the current picture of the size of Greek companies, the age of their fleets and of vessels actually trading or about to be delivered to Greek-based / Greek-owned companies.
- f. Under the "Tanker" term we have included only crude oil Tankers, ULCCs and VLCCs and not other types of tankers. Bulk carriers include bulkers only and not general cargo vessels. Container vessels are pure cellular vessels. Consequently, this 2nd part of our research does not produce data for other types, such as chemical tankers, product carriers, OBOs, Container/bulkers, etc.